

**SECONDARY MORTGAGE LOAN
MORTGAGE NOTE
SMART START LOAN PROGRAM – 5 Year Forgivable**

Place of Making:

Date: _____

BORROWER

(from now on called the “borrower”)
is borrowing money from

LENDER

New Jersey Housing and Mortgage Finance Agency
637 South Clinton Avenue. P.O. Box 18550
Trenton, New Jersey 08650-2085

(from now on called the “Lender”)

The word “Borrower” includes all borrowers under this Second Mortgage Note (from now on called the “Note”). The Lender and any other holder of this Note may transfer this Note. The word Lender includes the original Lender and anyone who takes this Note by transfer.

LOAN PURPOSE The Lender has agreed to make this loan to assist the Borrower to pay downpayment and/or closing costs with respect to purchase of the property located at _____, AKA Block No. _____ Lot No. on the municipality tax map (the “Premises”).

BORROWER PROMISES TO PAY AND TERM: In return for this loan, the Borrower promises to pay to the order of the Lender the sum of Dollars (\$) _____ from now on called the “principal”). There is _____ % interest on this loan.

The Borrower shall make payment to the Lender at 637 South Clinton Avenue, P.O. Box 18550, Trenton, New Jersey 08650-2085 or at such other place as is designated by the lender.

PREPAYMENT: The Borrower may repay the unpaid principal and accrued interest in full or in part at any time before it is due. This is known as prepayment. No penalty shall be charged.

If the Borrower continuously resides in the premises, as his/her principal residence for five (5) years from the date of the closing of the loan the principal on this Note will have been deemed satisfied and the Lender will provide the Borrower with a cancellation of mortgage or release of lien. If the Borrower conveys, refinances or ceases to occupy the Premises as his/her principal residence, full repayment of principal and accrued interest * will be due as follows:

- Months 1 through 24 100% of the principal is due.
- After the **24th month**, 25% of this principal and a portion of the accrued interest on this Note will be deemed satisfied and the remaining balance will be re-amortized.
- After the **36th month**, 50% of this principal and a portion of the accrued interest on this Note will be deemed satisfied and the remaining balance will be re-amortized.
- After the **48th month**, 75% of this principal and a portion of the accrued interest on this Note will be deemed satisfied and the remaining balance will be re-amortized.
- After the **60th month** this entire Note will be satisfied and discharged.

*note: when the principal is reduced, the new principal balance will be re-amortized from the original date of the Note to calculate the current accrued interest due.

SECURED NOTE This Note is secured by a second mortgage of even date herewith.

LENDER'S RIGHT OF ACCELERATION The Lender may declare the unpaid principal under this Note due immediately for any cause that gives the Lender the right of acceleration under the mortgage which secures this Note or under any mortgage lien which is superior to this mortgage, provided, however, that foreclosure has commenced under the superior mortgage.

If the Lender declares acceleration the borrower shall pay for the Lender's costs of collection and reasonable attorney's fees.

The Lender's failure to accelerate for any cause shall not prevent the Lender from doing so for a later occurring cause.

COSTS OF COLLECTION If the Borrower fails to repay this loan in accordance with the Borrower's Promise to Pay and at times required by this Note the Borrower shall pay the Lender's cost of collection and reasonable attorney's fees.

WAIVER OF FORMAL ACTS

Except as may be required by law, the Lender does not have to do any of the following before enforcing the Lender’s rights.

- (a) demand payment of amounts due (known as Presentment);
- (b) give notice that amounts due have not been paid (known as Notice of Dishonor); and
- (c) obtain an official certificate of non-payment (known as a protest).

RESPONSIBILITY UNDER NOTE

If more than one Borrower signs this note, each one is obligated to pay the amount due under the Note. The Lender may enforce this Note against any one or more Borrowers or against all Borrowers together.

CHANGE

This Note cannot be changed except in writing signed by the Borrower and the Lender.

NOTICE TO BORROWER

Read this Note before you sign.
Do not sign this Note if it contains blank spaces.
The Note is secured by a secondary mortgage on your real property.

SIGNATURES

The Borrower agrees to the terms of this Note by signing below.

Witnessed: _____ L.S.

_____ L.S.
